

**HOISINGTON UNIFIED SCHOOL
DISTRICT NO. 431
Hoisington, Kansas**

Primary Government Financial Statements with
Independent Auditors' Report

For the Year Ended June 30, 2007

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Primary Government Financial Statements with Independent Auditors' Report
For the Year Ended June 30, 2007

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditors' Report.....	1-2
Statement 1	
Summary of Cash Receipts, Expenditures, and Unencumbered Cash	3
Statement 2	
Summary of Expenditures – Actual and Budget	4
Statement 3	
Statement of Cash Receipts and Expenditures – Actual and Budget	
<u>Governmental Fund Categories:</u>	
3-1 General Fund	5
3-2 Supplemental General Fund	6
Special Revenue Funds:	
3-3 Contingency Reserve Fund	7
3-4 Capital Outlay Fund	8
3-5 Driver Training Fund	9
3-6 Professional Development Fund	10
3-7 Food Service Fund	11
3-8 Special Education Fund	12
3-9 Vocational Education Fund	13
3-10 Textbook Rental Fund	14
3-11 KPERS Retirement Fund	15
3-12 At Risk 4-Year Fund	16
3-13 At Risk K-12 Fund	17
3-14 Gifts and Grants Fund	18
3-15 Title I Fund	19
3-16 Title II Fund	20
3-17 Recreation Commission Fund	21
3-18 Recreation Commission Employee Benefit Fund	22
3-19 District Activity Funds - Gate Receipts	23
Statement 4	
Capital Project Fund	
Capital Projects Fund	24
Statement 5	
Debt Service Fund	
Bond and Interest Fund	25
Statement 6	
Nonexpendable Trust Fund	
Scholarship Fund	26

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Primary Government Financial Statements with Independent Auditors' Report
For the Year Ended June 30, 2007

TABLE OF CONTENTS

	<u>Page Number</u>
Statement 7	
Summary of Cash Receipts and Disbursements	
School Activity Funds - Student Organizations	27
Notes to Financial Statements	28-39



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INDEPENDENT AUDITORS' REPORT

Board of Education
Hoisington Unified School District No. 431
Hoisington, KS 67544

We have audited the accompanying financial statements of **Hoisington Unified School District No. 431, Hoisington, Kansas**, as of and for the year ended June 30, 2007 as listed in the table of contents. These financial statements are the responsibility of **Hoisington Unified School District No. 431, Hoisington, Kansas'** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements do not include financial data for the District's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for this component unit to be reported with the financial data of the District's primary government unless the District also issues financial statements for the financial reporting entity that include the financial data for its component unit. The District has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the cash and unencumbered cash balances of the aggregate discretely presented component unit would have been reported as \$152,646.

As described more fully in Note 1, **Hoisington Unified School District No. 431, Hoisington, Kansas** has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the two preceding paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Hoisington Unified School District No. 431, Hoisington, Kansas**, as of June 30, 2007, or changes in financial position for the year then ended.

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In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **Hoisington Unified School District No. 431, Hoisington, Kansas**, as of June 30, 2007, their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of accounting described in Note 1.

Adams, Brown, Beran & Ball
ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

November 5, 2007

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2007

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General Fund	\$ (305,905)	1,947	4,726,120	4,816,571	(194,409)	44,826	(149,583)
Supplemental General Fund	(50,276)	-	1,363,954	1,251,346	62,332	-	62,332
Special Revenue Funds							
Contingency Reserve Fund	-	-	50,000	-	50,000	-	50,000
Capital Outlay Fund	533,366	-	103,207	7,385	629,188	20,966	650,154
Driver Training Fund	-	-	37,930	27,711	10,219	400	10,619
Professional Development Fund	-	-	16,624	12,880	3,744	-	3,744
Food Service Fund	697	63	414,451	363,055	52,156	330	52,486
Special Education Fund	(23,107)	-	752,762	654,246	75,409	-	75,409
Vocational Education Fund	-	-	198,000	186,073	11,927	-	11,927
Textbook Rental Fund	-	-	30,851	12,114	18,737	-	18,737
KPERS Retirement Fund	-	-	234,435	234,435	-	-	-
At Risk - 4 Year Fund	-	-	45,000	45,000	-	-	-
At Risk - K-12 Fund	-	-	223,052	183,207	39,845	-	39,845
Title I Fund	9,399	-	135,000	139,911	4,488	-	4,488
Title II Fund	-	493	38,706	39,013	186	-	186
Recreation Commission Fund	-	-	100,328	100,324	4	-	4
Recreation Commission Employee Benefit Fund	-	-	9,792	9,792	-	-	-
District Activity Funds - Gate Receipts	458	-	38,755	38,763	450	-	450
Capital Project Fund							
Capital Projects Fund	400,938	-	11,287	69,211	343,014	-	343,014
Debt Service Fund							
Bond and Interest Fund	923,661	-	940,648	901,610	962,699	-	962,699
Nonexpendable Trust Fund							
Scholarship Fund	124,958	-	8,448	6,406	127,000	5,748	132,748
Total Primary Government (Excluding Agency Funds)	\$ 1,614,189	2,503	9,479,350	8,899,053	2,196,989	72,270	2,269,259
			Certificates of Deposits				\$ 1,303,237
			Money Markets				1,577,993
			Savings Accounts				4,118
			Checking Accounts				(562,304)
			Cash on Hand				100
			Total Cash				2,323,144
			Agency Funds per Statement 7				(53,885)
			Total Primary Government Excluding Agency Funds				\$ 2,269,259

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Summary of Expenditures - Actual and Budget
For the Year Ended June 30, 2007

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance Favorable (Unfavorable)
Governmental Type Funds:						
General Fund	\$ 4,681,134	(94,089)	29,526	4,616,571	4,616,571	-
Supplemental General Fund	1,277,013	(25,667)	-	1,251,346	1,251,346	-
Special Revenue Funds						
Capital Outlay Fund	559,774	-	-	559,774	7,385	552,389
Driver Training Fund	30,200	-	-	30,200	27,711	2,489
Professional Development Fund	16,313	-	-	16,313	12,880	3,433
Food Service Fund	419,600	-	-	419,600	363,055	56,545
Special Education Fund	713,858	-	-	713,858	654,246	59,612
Vocational Education Fund	198,000	-	-	198,000	186,073	11,927
KPERS Retirement Fund	275,838	-	-	275,838	234,435	41,403
At Risk - 4 Year Fund	45,000	-	-	45,000	45,000	-
At Risk - K-12 Fund	250,000	-	-	250,000	183,207	66,793
Recreation Commission Fund	100,324	-	-	100,324	100,324	-
Recreation Commission Employee Benefit Fund	10,500	-	-	10,500	9,792	708
Debt Service Fund						
Bond and Interest Fund	901,710	-	-	901,710	901,610	100

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 505,135	548,639	542,401	6,238
Intergovernmental Revenue				
Severance Tax	10,961	10,740	10,900	(160)
Equalization Aid	3,521,041	3,695,879	3,592,508	103,371
Federal Aid	400	-	-	-
Special Education Fund	450,662	441,236	441,236	-
State Aid	-	100	-	100
Other Local Sources				
Miscellaneous	60,269	29,526	-	29,526
Total Cash Receipts	4,548,468	4,726,120	4,587,045	139,075
Expenditures				
Instruction	2,521,811	1,357,538	1,387,488	29,950
Student Support Services	33,237	141,405	93,801	(47,604)
Instructional Support Services	213,489	205,795	215,610	9,815
General Administration	278,832	260,159	256,795	(3,364)
School Administration	36,243	351,008	243,610	(107,398)
Operation and Maintenance	456,851	677,290	855,430	178,140
Vehicle Operating Services	186,425	178,327	196,400	18,073
Operating Transfers - Capital Outlay	-	53,282	-	(53,282)
Operating Transfers - Driver Training	-	30,000	30,000	-
Operating Transfers - Food Service	-	100,000	175,000	75,000
Operating Transfers - Special Education	600,969	730,715	719,000	(11,715)
Operating Transfers - Vocational Development	-	198,000	198,000	-
Operating Transfers - At Risk (4 Year Old)	25,000	45,000	45,000	-
Operating Transfers - At Risk (K-12)	169,279	223,052	250,000	26,948
Operating Transfers - Contingency Reserve	-	50,000	-	(50,000)
Operating Transfers - Professional Develop.	24,985	15,000	15,000	-
Adjustment to Comply with Legal Max	-	-	(94,089)	(94,089)
Legal General Fund Budget	4,547,121	4,616,571	4,587,045	(29,526)
(a) Adjustment for Qualifying Budget Credit	-	-	29,526	29,526
Total Expenditures	4,547,121	4,616,571	4,616,571	-
Receipts Over (Under) Expenditures	1,347	109,549		
Prior Year Encumbrances Voided	-	1,947		
Unencumbered Cash, July 1	(307,252)	(305,905)		
Unencumbered Cash, June 30	\$ (305,905)	(194,409)		
(a) Adjustment for Qualifying Budget Credit				
Miscellaneous Revenue		29,526		
Total Adjustment for Qualifying Budget Credit		\$ 29,526		

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Supplemental General Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2007
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 557,581	829,758	740,923	88,835
Intergovernmental Revenue				
State Aid	475,456	534,196	510,423	23,773
Total Cash Receipts	1,033,037	1,363,954	1,251,346	112,608
Expenditures				
Instruction	128,591	1,251,346	1,277,013	25,667
Student Support Services	61,242	-	-	-
School Administration	406,830	-	-	-
Operations and Maintenance	352,913	-	-	-
Operating Transfers - Driver Training	19,658	-	-	-
Operating Transfers - Food Service	24,889	-	-	-
Operating Transfers - Vocational Ed	119,274	-	-	-
Adjustment to Comply with Legal Max	-	-	(25,667)	(25,667)
Total Expenditures	1,113,397	1,251,346	1,251,346	-
Receipts Over (Under) Expenditures	(80,360)	112,608		
Unencumbered Cash, July 1	30,084	(50,276)		
Unencumbered Cash, June 30	\$ (50,276)	62,332		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Contingency Reserve Fund
 Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended June 30, 2007
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfer In	\$ -	50,000
Expenditures		
Operations and Maintenance	121,450	-
Receipts Over (Under) Expenditures	(121,450)	50,000
Unencumbered Cash, July 1	121,450	-
Unencumbered Cash, June 30	\$ -	50,000

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Capital Outlay Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Other Local Sources				
Interest on Idle Funds	\$ 38,911	45,213	-	45,213
Insurance Claims	-	-	-	-
Reimbursed Expenditures	1,556	4,712	-	4,712
Transfer In	-	53,282	-	53,282
Total Cash Receipts	40,467	103,207	-	103,207
Expenditures				
Instruction	-	-	25,000	25,000
Central Services	246,170	7,100	459,774	452,674
Transportation	42,375	-	60,000	60,000
Other Support Services	-	-	5,000	5,000
Facility Acquisition and Construction	54,671	285	10,000	9,715
Total Expenditures	343,216	7,385	559,774	552,389
Receipts Over (Under) Expenditures	(302,749)	95,822		
Unencumbered Cash, July 1	836,115	533,366		
Unencumbered Cash, June 30	\$ 533,366	629,188		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Driver Training Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 3,842	4,230	-	4,230
Other Local Sources				
Fees	4,000	3,700	-	3,700
Operating Transfers	19,658	30,000	30,000	-
Total Cash Receipts	27,500	37,930	30,000	7,930
Expenditures				
Instruction	25,501	24,951	27,000	2,049
Vehicle Oper., Maint. Serv.	909	2,760	3,200	440
Other Supplemental Services	1,090	-	-	-
Total Expenditures	27,500	27,711	30,200	2,489
Receipts Over (Under) Expenditures	-	10,219		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	10,219		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Professional Development Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2007
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 2,238	1,624	1,313	311
Other Local Sources				
Operating Transfers	24,985	15,000	15,000	-
Total Cash Receipts	27,223	16,624	16,313	311
Expenditures				
Instructional Support Services	27,231	12,880	16,313	3,433
Receipts Over (Under) Expenditures	(8)	3,744		
Unencumbered Cash, July 1	8	-		
Unencumbered Cash, June 30	\$ -	3,744		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Food Service Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
Federal Aid	\$ 166,290	158,515	148,273	10,242
State Aid	4,413	3,873	4,044	(171)
Other Local Sources				
Lunch Receipts - Students	142,567	152,061	102,747	49,314
Miscellaneous	262	2	-	2
Operating Transfers	24,889	100,000	175,000	(75,000)
Total Cash Receipts	<u>338,421</u>	<u>414,451</u>	<u>430,064</u>	<u>(15,613)</u>
Expenditures				
Operations & Maintenance	19,695	18,945	23,200	4,255
Food Service Operation	346,584	344,110	396,400	52,290
Total Expenditures	<u>366,279</u>	<u>363,055</u>	<u>419,600</u>	<u>56,545</u>
Receipts Over (Under) Expenditures	(27,858)	51,396		
Prior Year Encumbrances Voided	-	63		
Unencumbered Cash, July 1	<u>28,555</u>	<u>697</u>		
Unencumbered Cash, June 30	\$ <u>697</u>	<u>52,156</u>		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Special Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Other Local Sources				
Interest Income	\$ 34,647	22,047	20,000	2,047
Operating Transfers	600,969	730,715	719,000	11,715
Total Cash Receipts	<u>635,616</u>	<u>752,762</u>	<u>739,000</u>	<u>13,762</u>
Expenditures				
Instructional Support Services	609,707	623,767	654,142	30,375
Vehicle Operating Services	49,016	30,479	59,716	29,237
Total Expenditures	<u>658,723</u>	<u>654,246</u>	<u>713,858</u>	<u>59,612</u>
Receipts Over (Under) Expenditures	(23,107)	98,516		
Unencumbered Cash, July 1	-	(23,107)		
Unencumbered Cash, June 30	\$ <u>(23,107)</u>	<u>75,409</u>		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Vocational Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Other Local Sources				
Operating Transfers	\$ 119,274	198,000	198,000	-
Expenditures				
Instruction	119,274	186,073	198,000	11,927
Receipts Over (Under) Expenditures	-	11,927		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	11,927		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Textbook Rental Fund

Statement of Cash Receipts and Expenditures-Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Other Local Sources		
Book Rental Fees	\$ 26,451	30,851
Expenditures		
Textbooks	71,408	12,114
Receipts Over (Under) Expenditures	(44,957)	18,737
Unencumbered Cash, July 1	44,957	-
Unencumbered Cash, June 30	\$ -	18,737

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

KPERS Retirement Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
Employer Contributions	\$ 208,967	234,435	275,838	(41,403)
Expenditures				
Employee Benefits	208,967	234,435	275,838	41,403
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

At Risk - 4 Year Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Other Local Sources				
Operating Transfers	\$ 25,000	45,000	45,000	-
Expenditures				
Instruction	25,000	45,000	45,000	-
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

At Risk - K-12 Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Other Local Sources				
Operating Transfers	\$ 169,279	223,052	250,000	(26,948)
Expenditures				
Instruction	169,279	183,207	250,000	66,793
Total Expenditures	169,279	183,207	250,000	66,793
Receipts Over (Under) Expenditures	-	39,845		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	39,845		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Gifts and Grants Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Other Local Sources		
Contributions and Donations	\$ 40,000	-
Expenditures		
Instruction	40,000	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Title I Fund

Statement of Cash Receipts and Expenditures-Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 154,092	135,000
Expenditures		
Instruction	144,693	130,512
Instruction - Carryover	5,918	9,399
Total Expenditures	150,611	139,911
Receipts Over (Under) Expenditures	3,481	(4,911)
Unencumbered Cash, July 1	5,918	9,399
Unencumbered Cash, June 30	\$ 9,399	4,488

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Title II Fund

Statement of Cash Receipts and Expenditures-Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 38,459	33,788
Other Local Sources		
Perkins Grant	5,191	4,918
Total Cash Receipts	43,650	38,706
Expenditures		
Instruction	43,650	39,013
Receipts Over (Under) Expenditures	-	(307)
Prior Year Encumbrances Voided	-	493
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	186

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Recreation Commission Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2007
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 90,710	100,328	100,324	4
Expenditures				
Community Service Operations	90,710	100,324	100,324	-
Receipts Over (Under) Expenditures	-	4		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	4		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Recreation Commission Employee Benefit Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2007
(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 12,064	9,792	10,500	(708)
Expenditures				
Community Service Operations	12,064	9,792	10,500	708
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
District Activity Funds - Gate Receipts
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2007

	Beginning Cash Balance	Cash Receipts and Transfers	Cash Disbursements and Transfers	Ending Cash Balance
Gate Receipts				
Athletics	\$ 458	38,755	38,763	450

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Capital Projects Fund
 Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended June 30, 2007
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Other Local Sources		
Interest on Idle Funds	\$ 8,523	11,287
Expenditures		
Capital Outlay		
Activity Center	39,397	5,259
High School	18,231	598
Legal Fees on Bond	2,450	-
Transfer to Bond and Interest Fund	-	63,354
Total Expenditures	60,078	69,211
Receipts Over (Under) Expenditures	(51,555)	(57,924)
Unencumbered Cash, July 1	444,933	400,938
Prior Year Cancelled Encumbrances	7,560	-
Unencumbered Cash, June 30	\$ 400,938	343,014

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Bond and Interest Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2007
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues-				
Taxes	\$ 697,402	633,859	565,053	68,806
Intergovernmental Revenue -				
State Aid	312,820	243,435	363,432	(119,997)
Other Local Sources				
Transfer in from Capital Project Fund	-	63,354	63,354	-
Total Cash Receipts	<u>1,010,222</u>	<u>940,648</u>	<u>991,839</u>	<u>(51,191)</u>
Expenditures				
Principal	515,000	475,000	475,000	-
Interest	420,322	426,610	426,610	-
Commission and Postage	-	-	100	100
Total Expenditures	<u>935,322</u>	<u>901,610</u>	<u>901,710</u>	<u>100</u>
Receipts Over (Under) Expenditures	74,900	39,038		
Unencumbered Cash, July 1	<u>848,761</u>	<u>923,661</u>		
Unencumbered Cash, June 30	<u>\$ 923,661</u>	<u>962,699</u>		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Scholarship Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2007

(With Comparative Actual Totals for the Prior Year Ended June 30, 2006)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Other Local Sources		
Interest Income	\$ 1,940	6,898
Scholarship Donations	-	1,550
Total Cash Receipts	1,940	8,448
Expenditures		
Scholarships	1,250	6,406
Receipts Over (Under) Expenditures	690	2,042
Unencumbered Cash, July 1	124,268	124,958
Unencumbered Cash, June 30	\$ 124,958	127,000

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
School Activity Funds - Student Organizations
Summary of Cash Receipts and Disbursements
For the Year Ended June 30, 2007

	Beginning Cash Balance	Cash Receipts and Transfers	Cash Disbursements and Transfers	Ending Cash Balance
Student Organizations				
Cheerleaders	\$ 2,161	7,271	7,961	1,471
Class of 2006	1,335	8	150	1,193
Class of 2007	1,828	761	910	1,679
Class of 2008	10	10,231	7,881	2,360
Class of 2010	201	8	-	209
Clearing	-	767	767	-
Danceline	656	4,632	4,662	626
FCCLA	685	8,584	8,629	640
GAL'S	201	2,185	2,368	18
Gift Account	600	1,002	1,296	306
H-Club	6,504	24,201	26,525	4,180
HFL	715	652	1,221	146
International	916	40	50	906
Lincoln	6,869	19,411	18,060	8,220
Middle School	5,072	20,803	21,975	3,900
Music-Band	1,180	5,898	6,083	995
Music-Vocal	4,428	2,340	3,175	3,593
National Honor Society	-	100	42	58
Pep Club	801	4,372	4,842	331
Roosevelt	6,611	18,928	19,046	6,493
SADD	1	3	4	-
Sr. High	1,015	1,155	670	1,500
Stuco	9,919	8,847	6,390	12,376
Video Production	240	27	234	33
Yearbook	7,399	11,609	16,356	2,652
Total Student Organizations	\$ 59,347	153,835	159,297	53,885

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Notes to Financial Statements
June 30, 2007

1. Summary of Significant Accounting Policies

The District has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the statutory basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies:

A. Financial Reporting Entity

Hoisington Unified School District No. 431, Hoisington, Kansas, is a municipal corporation governed by an elected board. The District receives funding from local, state, and federal governmental sources and must comply with the requirements of these funding sources.

Hoisington Unified School District No. 431, Hoisington, Kansas, is the primary government as defined in GASB #14 and further amended by GASB #39. The School Board is elected by the public. The Board has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

The following is a component unit of **Hoisington Unified School District No. 431, Hoisington, Kansas**. The District exercises significant influence or accountability based primarily on operational or financial relationships with the District (as distinct from legal relationships).

Unified School District No. 431 Education Foundation

The Unified School District No. 431 Education Foundation is organized as a non-profit organization in the State of Kansas for the purpose of providing scholarship funds to students at **Hoisington Unified School District No. 431, Hoisington, Kansas**. Their financial statements are not included in this report. Contact the District Clerk for information on how to obtain their financial information.

B. Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the District for the year ended June 30, 2007:

Governmental Fund

General Fund – reports as the primary fund of the District. The fund is used to account for all financial resources not reported in other funds.

Special Revenue Funds – to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expend for specific purposes.

Debt Service Fund – to account for the accumulation of resources for and the payment of interest and principal on general long-term debt and the financing of special assessments which are general obligations of the District.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Notes to Financial Statements
June 30, 2007

B. Basis of Presentation – Fund Accounting (cont.)

Capital Project Fund – to account for the financial resources segregated for the acquisition of major capital facilities.

Fiduciary Fund

Student Activity Fund - an agency fund that accounts for the receipts and disbursements of monies from student activity organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

C. Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the statutory basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

The District has approved a resolution that is in compliance with K.S.A. 75-1120 a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

D. Departure from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal, and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the year in accordance with generally accepted accounting principles. General capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

E. Accounting for Capital Assets and Depreciation

The District does not maintain a record of capital assets used in performance of general government operations as required by generally accepted accounting principles.

F. Budgetary Information

Kansas Statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), Debt Service Funds, and Enterprise Funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding fiscal year on or before August 1st.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Notes to Financial Statements
June 30, 2007

F. Budgetary Information (cont.)

2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds and fiduciary funds, and the following special revenue funds: Contingency Reserve Fund, Textbook Rental Fund, Title I Fund, Title VI Fund, Gifts and Grants Fund, and Gate Receipts.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

G. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation is utilized in the governmental funds.

H. Deposits and Investments

The District follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund type in the Summary of Cash Receipts, Cash Disbursements and Unencumbered Cash.

As of June 30, 2007, the District had no investments.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Notes to Financial Statements
June 30, 2007

H. Deposits and Investments (cont.)

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the County in which the District is located or in an adjoining County if such institution has been designated as an official depository and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District did not use peak depository coverage. The District is under secured by \$1,238 as of June 30, 2007.

At June 30, 2007, the District's carrying amount of deposits was \$2,323,144 and the bank balance was \$2,933,032. Of the bank balance, \$256,338 was covered by federal depository insurance and \$2,575,456 was collateralized with securities held by the pledging financial institutions agents in the District's name.

I. Property Tax Calendar

Property taxes are collected and remitted to the District by the County Treasurer. Taxes levied annually on November 1st are due one half by December 20th and one half by May 10th. Major property tax payments are received December through June and are recognized as revenue in the year received.

J. Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures during the year of purchase as required by state statutes.

K. Defined Benefit Pension Plan

Plan Description - Hoisington Unified School District No. 431, Hoisington, Kansas participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 South Kansas Avenue, Suite 100; Topeka, KS 66603-3803) or by calling 1-888-275-5737.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Notes to Financial Statements
June 30, 2007

K. Defined Benefit Pension Plan (cont.)

Funding Policy - K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 6.77% of covered payroll for the fiscal year ended June 30, 2007. These contributions requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all public school employees for the years ending June 30, 2007, 2006, and 2005, were \$192,425,626, \$159,728,918, and \$138,176,951, respectively, equal to the required contributions for each year.

L. Compensated Absences

The District's contracts with various employees permit the employees to accumulate various amounts of vacation time and sick leave. The contracts state that accumulated vacation time must be taken by the end of the contract date or the time will be lost.

The District is obligated to pay an employee \$80 per day for each accrued day above 50 days in accumulated sick leave when the individual departs from the District. An individual has the option of cashing out their accumulated days prior to leaving the District. This option has to be made between June 1st and July 1st of the year prior to the year the option is exercised. The District will pay out \$40,000 on a first come basis in September.

The District is obligated to pay a teacher \$40 per day up to 10 days for an individual that has accumulated more than 80 days in a year. This payment will be made by June 30th of each year.

The total potential liability for sick leave of the District at June 30, 2007 was \$94,000. This potential liability is recorded at Note 10.

M. Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the District for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Notes to Financial Statements
June 30, 2007

2. Transfers and Payments

Transfers and payments within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects, and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas Statutes. The District's operating transfers and statutory authority for June 30, 2007 were as follows:

From	To	Statute Authority	Amount
General	Capital Outlay	K.S.A. 72-8803	\$ 53,282
General	Driver Training	K.S.A. 72-6423	30,000
General	Food Service	K.S.A. 72-5119	100,000
General	Professional Development	K.S.A. 72-9609	15,000
General	Speical Education	K.S.A. 72-6420	730,715
General	Vocational Education	K.S.A. 72-6421	198,000
General	At Risk 4 Year	K.S.A. 72-6414a	45,000
General	At Risk K-12	K.S.A. 72-6414a	223,052
General	Contingency Reserve	K.S.A. 72-6426	50,000
Capital Project	Bond and Interest	K.S.A. 72-2925	63,354
	Total		\$ 1,508,403

3. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the statutory basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

4. Litigation

The District is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the funds of the District.

5. Risk Management - Claims and Judgements

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has been able to obtain workers' compensation insurance at a cost it considered to be economically justifiable.

For this reason, the District joined together with other Districts in the State to participate in the Kansas Association of School Boards (KASB), a public entity risk pool currently operating as a common risk management and insurance program. The District pays an annual premium to Kansas Association of School Boards for its workers' compensation insurance coverage. The agreement to participate provides that the Kansas Association of School Boards will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Additional premiums may be due total claims for the pool are different than what has been anticipated by the Kansas Association of School Boards Risk Management.

The District carries commercial insurance for all other risks of loss, including property, general liability, inland marine, crime, umbrella, auto, fidelity bond coverage, and comprehensive collision insurance.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three calendar years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. At June 30, 2007, the financial statements do not include liabilities for anticipated costs.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Notes to Financial Statements
June 30, 2007

6. Grants and Shared Revenues

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audits, is not believed to be material.

7. Comparative Data

Comparative total data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in the District's cash and unencumbered cash balances. However, complete comparative data (i.e., presentation of prior year totals in Statement 1 and Statement 2) has not been presented since their inclusion would make certain statements unduly complex and difficult to read.

8. Compliance with Kansas Statutes

Total deposits exceeded the amount of secured public funds which is in violation of K.S.A. 9-1402 and K.S.A. 9-1405.

Landmark Federal Bank	\$1,238
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9. Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by these Statutes and are included in the next two pages.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
General Fund
Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2007

	Statutory Transactions	Budget	Variance Favorable (Unfavorable)
Statutory Revenues			
Taxes and Shared Revenues			
Taxes	\$ 548,639	542,401	6,238
Intergovernmental Revenue			
Severance Tax	10,740	10,900	(160)
Equalization Aid	3,598,789	3,592,508	6,281
Special Education Aid	441,336	441,236	100
Other Local Sources			
Miscellaneous	29,526	-	29,526
Total Statutory Revenues	4,629,030	4,587,045	41,985
Expenditures			
Instruction	1,357,538	1,387,488	29,950
Student Support Services	141,405	93,801	(47,604)
Instructional Support Services	205,795	215,610	9,815
General Administration	260,159	256,795	(3,364)
School Administration	351,008	243,610	(107,398)
Operation and Maintenance	677,290	855,430	178,140
Vehicle Operating Services	178,327	196,400	18,073
Operating Transfers - Capital Outlay	53,282	-	(53,282)
Operating Transfers - Driver Training	30,000	30,000	-
Operating Transfers - Food Service	100,000	175,000	75,000
Operating Transfers - Vocational Education	198,000	198,000	-
Operating Transfers - Contingency Reserve	50,000	-	(50,000)
Operating Transfers - Special Education	730,715	719,000	(11,715)
Operating Transfers - At Risk (4 Year Old)	45,000	45,000	-
Operating Transfers - At Risk (K-12)	223,052	250,000	26,948
Operating Transfers - Professional Develop.	15,000	15,000	-
Adjustment to Comply with Legal Max	-	(94,089)	(94,089)
Legal General Fund Budget	4,616,571	4,587,045	(29,526)
Adjustment for Qualifying Budget Credit (a)	-	29,526	29,526
Total Expenditures	4,616,571	4,616,571	-
Statutory Revenues Over (Under) Expenditures	12,459		
Modified Unencumbered Cash, July 1	-		
Modified Unencumbered Cash, June 30	\$ 12,459		
(a) Adjustment for Qualifying Budget Credit			
Miscellaneous Revenue and Federal Aid	29,526		
Total Adjustment for Qualifying Budget Credit	\$ 29,526		

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Supplemental General Fund
Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2007

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Statutory Revenues			
Taxes and Shared Revenues			
Taxes	\$ 829,758	740,923	88,835
Intergovernmental Revenue			
State Aid	<u>523,598</u>	<u>510,423</u>	<u>13,175</u>
Total Statutory Revenues	<u>1,353,356</u>	<u>1,251,346</u>	<u>102,010</u>
Expenditures			
Instruction	1,251,346	1,277,013	25,667
Adjustment to Comply with Legal Max	<u>-</u>	<u>(25,667)</u>	<u>(25,667)</u>
Total Expenditures	<u>1,251,346</u>	<u>1,251,346</u>	<u>-</u>
Statutory Revenues Over (Under) Expenditures	102,010		
Modified Unencumbered Cash, July 1	<u>-</u>		
Modified Unencumbered Cash, June 30	\$ <u>102,010</u>		

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Notes to Financial Statements
June 30, 2007

10. Long Term Debt

The District has the following types of Long Term Debt:

General Obligation Bonds

The Changes in Long Term Debt and the Maturity of Long Term Debt is disclosed on pages 38 and 39.

Refunded Bonds

On April 15, 2005 the District issued \$7,260,000 in General Obligation Refunding Bonds. The proceeds from the sale of the Bonds were used to establish an escrow account for the annual payment of interest from September 1, 2005 through September 1, 2011 on bonds maturing on 2012 and thereafter, and to redeem on September 1, 2011, the principal of the District's outstanding General Obligation Bonds, Series 2001-A, maturing September 1, 2011, and thereafter (the "Refunded Bonds"). The Refunding Plan was undertaken in order to achieve interest cost savings.

According to the terms of this Refunding Plan, the Refunded Bonds will be called on their earliest optional redemption date and redeemed at such time, all in accordance with the resolution authorizing their issuance. The Refunded Bonds represent the entire callable portion of the District's General Obligation Bonds, Series 2001-A. All Refunded Bonds will be called at a price equal to 100% of the par value thereof, without premium. The District will continue to levy taxes to pay the interest and principal on the Series 2001-A issue for all bonds due through 2011.

Upon the payment in full of the interest on the Bonds to and including September 1, 2011 and the principal of the Refunded Bonds, all remaining money and Escrowed Securities in the Escrow Fund together with any interest thereon, shall be transferred to the District to be applied in accordance with the law.

Refunded Bonds

Series	Amount Outstanding Prior to Refunding	Amount to be Refunded	Maturity Dates to be Escrowed	Call Date	Call Price
2001-A	\$11,400,000	\$7,735,000	9/1/12-9/1/21	9/1/2011	100

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Holsington, Kansas

Notes to Financial Statements

Note 10 - Statement of Changes in Long Term Debt

For the Year Ended June 30, 2007

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:										
Series 2001	Variable - 4.0% to 6.1%	April 15, 2001	\$ 12,058,106	September 1, 2021	\$ 3,225,000	-	(475,000)	(475,000)	2,750,000	139,875
Series 2005-A	Variable - 3% to 4.3%	April 15, 2005	7,260,000	September 1, 2021	7,185,000	-	-	-	7,185,000	286,735
Total Contractual Indebtedness										
					10,410,000	-	(475,000)	(475,000)	9,935,000	426,610
Amount to be Provided for:										
Compensated Absences					188,290	-	-	(94,290)	94,000	-
Total Long Term Debt			\$ 19,318,106		\$ 10,598,290	-	(475,000)	(569,290)	10,029,000	426,610

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Holsington, Kansas
Notes to Financial Statements
Note 10 - Schedule of Maturity of Long Term Debt
For the Year Ended June 30, 2007

	Years							
	2008	2009	2010	2011	2012	2013 - 2017	2018 - 2022	Total
Principal								
General Obligation Bonds - Series 2001	\$ 500,000	525,000	550,000	575,000	600,000	-	-	2,750,000
General Obligation Bonds - Series 2005-A	-	-	-	-	-	3,245,000	3,940,000	7,185,000
Total Principal	500,000	525,000	550,000	575,000	600,000	3,245,000	3,940,000	9,935,000
Interest								
General Obligation Bonds - Series 2001	110,137	84,125	61,950	38,319	13,050	-	-	307,581
General Obligation Bonds - Series 2005-A	286,735	286,735	286,735	286,735	286,735	1,142,097	430,760	3,006,532
Total Interest	396,872	370,860	348,685	325,054	299,785	1,142,097	430,760	3,314,113
Total Principal and Interest	\$ 896,872	895,860	898,685	900,054	899,785	4,387,097	4,370,760	13,249,113